

MONTANA GREATER SAGE-GROUSE STEWARDSHIP FUND GRANT PROGRAM

ELIGIBILITY AND EVALUATION CRITERIA GUIDANCE

The Purpose of this document is to provide a single list of the statutory and regulatory criteria governing the Montana Greater Sage-Grouse Stewardship Fund Grant Program.

This document sometimes paraphrases the governing statutory and regulatory language. However, the specific language of the statutes and rules govern, regardless of the language used in this document. This document does not interpret or modify any statutes or rules governing the Grant Program.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. Montana Code Annotated (MCA) § 76-22-102(2). The majority of the account funds must be awarded to projects that generate credits that are available for compensatory mitigation. MCA § 76-22-109(4).

APPLICANT ELIGIBILITY

Only "organizations" or "agencies" are eligible to receive grant funding. MCA § 76-22-110(3). "Organization" means a private entity registered with the Montana Secretary of State authorized to conduct business in the State of Montana. 14.6.101(5), ARM. "Agency" for the purposes of the Act means a department, agency, or instrumentality of the state of Montana, a political subdivision of the state, or a Tribe and is not a private individual, private entity, or private organization recognized by the laws of the State of Montana. 14.6.101(1), ARM.

Organizations or agencies are only eligible if they hold and maintain conservation easements or leases or that are directly involved in sage grouse habitat mitigation and enhancement activities approved by the Montana Sage Grouse Oversight Team ("MSGOT"). MCA § 76-22-110(3).

PROJECT ELIGIBILITY

A project is only eligible if it is located, at least in part, on land identified as Core Areas, General Habitat, or Connectivity Areas. MCA § 76-22-102(2)(Establishing grant funding for sage grouse conservation measures on lands that "lie within core areas, general



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ENVIRONMENTAL QUALITY
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Exhibit 2

habitat, or connectivity areas.”). Maps delineating these areas are available on the MSGOT website.

A project is eligible if it will maintain, enhance, restore, expand, or benefit sage grouse habitat and populations for the heritage of Montana and its people through voluntary, incentive-based efforts. MCA § 76-22-110(1). Eligible projects may include:

- Reduction of conifer encroachment. MCA § 76-22-110(1)(a).
- Maintenance, restoration, or improvement of sagebrush health or quality. MCA § 76-22-110(1)(c).
- Incentives to reduce the conversion of grazing land to cropland. MCA § 76-22-110(1)(e).
- Restoration of cropland to grazing land. MCA § 76-22-110(1)(f).
- Modification of fire management to conserve sage grouse habitat or populations. MCA § 76-22-110(1)(g).
- Demarcation of fences to reduce sage grouse collisions. MCA § 76-22-110(1)(h).
- Reduction of unnatural perching platforms for raptors. MCA § 76-22-110(1)(i).
- Reduction of unnatural safe havens for predators. MCA § 76-22-110(1)(j).
- Reduction of the spread of invasive weeds that harm sagebrush health or sage grouse habitat. MCA § 76-22-110(1)(b). “Invasive Weed” means a grass, forb, shrub or tree (weed) listed on the Montana Invasive and Noxious Weed list or other weed designated by MSGOT as invasive and that the weed has a known quantifiable negative impact on the quality or quantity of general, core or connective sage grouse habitat or negatively impacts sage grouse populations other than through habitat impacts. 14.6.101(3), ARM.
- Purchase or acquisition of leases, term conservation easements, or permanent conservation easements that conserve or maintain sage grouse habitat, protect grazing lands, or conserve sage grouse populations. MCA § 76-22-110(1)(d). Such projects are subject to the further eligibility requirements of MCA § 76-22-112, as discussed below.
- Sage grouse habitat enhancement that provides project developers the ability to use improved habitat for compensatory mitigation under MCA § 76-22-111. MCA § 76-22-110(1)(k).



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- Establishment of a habitat exchange to develop and market credits consistent with the purposes of the Act, so long as the habitat exchange is authorized by United States Fish and Wildlife Service, uses the habitat quantification tool to quantify and calculate the value of credits and debits, and the grant funds are only used:
 - to create and market credits consistent with the habitat quantification tool,
 - for operational purposes including monitoring the effectiveness of projects,
 - for costs associated with establishing the habitat exchange, or
 - for reimbursing the state for the proportionate share of proceeds generated from the sale of credits created under the grant program.

MCA § 76-22-110(1)(l).

- Other project proposals that MSGOT determines are consistent with the purposes of the Act. MCA § 76-22-110(1)(m).

A project is ineligible if it seeks grant funding:

- For fee simple acquisition of private land. MCA § 76-22-109(5)(a).
- To purchase water rights. MCA § 76-22-109(5)(b).
- To purchase a lease or conservation easement that requires recreational access or prohibits hunting, fishing, or trapping as part of its terms. MCA § 76-22-109(5)(c).
- To allow the release of any species listed under MCA § 87-5-107 or the federal Endangered Species Act, 16 U.S.C. 1531, *et seq.* MCA § 76-22-109(5)(d).
- To fund a habitat exchange that does not meet the requirements of MCA § 76-22-110(1)(l).
- For a project involving land owned by multiple landowners, including state and federal land, in which the majority of the involved acres are not privately held or the proposed project does not benefit sage grouse across all of the land included in the project. MCA § 76-22-110(2).
- To supplement or replace the operating budget of an agency or organization, except for budget items that directly relate to the purposes of the grant. MCA § 76-22-110(4).
- For a lease or conservation easement in which:
 - The state will not be named a third-party beneficiary to the lease or easement with the contingent right to enforce the terms of the lease or easement if the grantee fails to do so.



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- The agreement will not provide that the lease or easement may not be transferred for value, sold, or extinguished without consent of the department.
- Attempts to preclude the State from taking legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this Act for the creation of the lease or easement.

MCA § 76-22-112.

- To fund a project that does not meet the criteria of MCA § 76-22-110.
- Through a late, incomplete, or improperly submitted application. 14.6.102(1)-(3), ARM.

EVALUATION CRITERIA

Projects will be evaluated by the following criteria:

- The extent to which the proposed project will maintain, enhance, restore, expand, or benefit sage grouse habitat and populations. MCA § 76-22-104(1).
- Compliance with eligibility requirements. (See above).
- The extent to which the proposed project generates credits that are available under compensatory mitigation. MCA § 76-22-109.
- The socioeconomic impacts on the local community including the views of interested and affected persons and entities, including local, state, tribal, and federal governmental agencies, and boards, commissions, and other political subdivisions of the state. MCA §§ 76-22-104(1)(a); 105(c).

Projects will also be evaluated by the following criteria. Where such criteria are met, projects will be given greater priority:

- Maximizing the number of credits generated per dollars of grant funds awarded, and which are actually available for compensatory mitigation. MCA § 76-22-104(1)(d); MCA 76-22-109(4).
- Partnerships between public and private entities. MCA § 76-22-104(1)(a).
- Whether the project will be provided matching funds and the extent to which such matching funds can be used consistent with the Act. MCA §§ 76-22-104(1)(b); 110(5).



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- Use of the Habitat Quantification Tool to quantify the project when that tool is operational. MCA § 76-22-104(1)(c).

MSGOT is prohibited from funding projects under the following additional circumstances:

- MSGOT cannot disburse a majority of the funds in the Account before the Habitat Quantification Tool has been adopted. MCA § 76-22-109(4).
- MSGOT cannot disburse the majority of the funds in the Account to projects which do not generate credits that are available for compensatory mitigation. MCA § 76-22-109(4).

GRANT AGREEMENTS, PROJECT MONITORING, AND REPORTING

Successful Applicants for projects approved by MSGOT must enter into an agreement with the DNRC and MSGOT prior to disbursement of funds from the Sage Grouse Stewardship Account. 14.6.102(6), ARM. Monitoring and review of projects will be pursuant to the terms of the agreement. MCA §§ 76-22-104(5); 14.6.102(8), ARM. Grant recipients will be subject to project reporting requirements pursuant to the terms of the agreement. 14.6.102(7), ARM.

GRANT APPLICATION FORMS AND PROCEDURES

The Montana Sage Grouse Oversight Team Procedure 01-2016 document establishes the process and procedures for the receipt, evaluation, and decision making for implementation of the Stewardship Fund Grant Program by both MSGOT and the Sage Grouse Habitat Conservation Program.

The Stewardship Fund Grant Program application and related documents will be published on the MSGOT website.



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